

AGENCY ESTIMATE
OF THE FISCAL IMPACT OF IMPLEMENTING
HB 275 2011 General Session
School District Division Amendments

Sponsor: Representative Kenneth W. Sumsion
Agency Contact: Cathy Dudley/February 8, 2011
Agency Utah State Office of Education

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A. Short Form (For bills that have no impact on the state, local governments, businesses, or individuals.)

If you can check all five boxes to the right, you're almost done. If the bill obviously doesn't have an impact, you're done.

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | State agencies will not require an appropriation to implement the bill. |
| <input checked="" type="checkbox"/> | There is no fiscal impact on local governments. |
| <input checked="" type="checkbox"/> | There is no fiscal impact on businesses |
| <input checked="" type="checkbox"/> | There is no fiscal impact on individuals. |
| <input checked="" type="checkbox"/> | The bill will not affect revenues. |

If it isn't so obvious, explain what's going on. The most usual explanation is the codification of existing practices.

If necessary, explain why this bill has no fiscal impact.

Attachments welcome.

B. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

Lines 79-112.

C. Which program gets the appropriation?

Enter 3 letter Appropriation Unit Code.

For multiple appropriations

This is of

D. Work Notes: Assumptions, calculations & what are we buying?

Explain the fiscal impact in plain English, detailing your assumptions, methods, & calculations.

List all direct costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what this \$50,000 will buy.

Attachments encouraged.

When an existing school district splits, if the property tax base per student of a new district is greater than the property tax base per student of the remaining district, for five consecutive years, the new district and remaining school district will continue to impose property tax levies that were imposed by the existing school district in the taxable year prior to the qualifying taxable year. This means that both districts will levy the same property tax levies (with the exception of the basic rate, debt service levy, judgment levy and the voted capital levy). The rate would be set at a rate that is uniform in both districts and generates the same amount of revenue that was generated by the property tax levy with the school district prior to the qualifying taxable year. The county treasurer would then distribute this revenue in proportion to the percentage of the divided school district's enrollment to the new school district. (Continued below.)

E. REVENUES

Select Fund

Current Budget Year
FY 2011

Coming Budget Year
FY 2012

Future Budget Year
FY 2013

Total 0

0

0

F. COSTS by FUND

Select Fund

Current Budget Year
FY 2011

Coming Budget Year
FY 2012

Future Budget Year
FY 2013

Total 0

0

0

G. COSTS by EXPENDITURE CATEGORY.

Expenses by Category

Current Budget Year
FY 2011

Coming Budget Year
FY 2012

Future Budget Year
FY 2013

Personal Services
Travel
Current Expense
DP Current Expense
DP Capital Outlay
Capital Outlay
Other/Pass Thru

Total 0

0

0

H. Non-State Impacts

Your estimate of how will the bill affect:

Local Governments

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Businesses

--

Individuals

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This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

Attachments welcome.

D. Work Notes: If one of those districts raised their tax rate above the certified tax rate, that district would go through the Truth-in-Taxation process. And if the process was successful, the revenue proceeds would go to that district in the regular manner.

There would be fiscal impact on the dividing school districts, but without knowing which school district would be dividing, it is unfeasible to determine what the fiscal impact would be.